UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

MASSACHUSETTS EYE AND EAR INFIRMARY,

Plaintiff,

v.

QLT, Inc.,

Defendant.

CIVIL ACTION NO. 00-10783-WGY

MEMORANDUM

YOUNG, D.J.

September 25, 2007

On July 17, 2007, this Court entered judgment for MEEI. Subsequently, QLT moved to amend the judgment to adjust the calculation of prejudgment interest [Doc. No. 653]. The Court denied that motion on September 6, 2007. That denial is the subject of this Memorandum.

MEEI filed the instant lawsuit on April 24, 2000. The jury returned its verdict on November 6, 2006. The Court did not enter judgment immediately following the verdict because it first wished to determine whether the jury verdict was binding or only advisory, a matter of vigorous dispute between the parties. On November 8, 2006, two days after the verdict, QLT noted that this Court had not entered judgment. This Court affirmed that it had not and stated its intention first to sort through the Seventh Amendment issue. QLT did not object to this course of action.

Transcript of Oral Argument, November 8, 2006 [Doc. No. 599], at 4:25-5:12; 8:9-14. Subsequently, the parties requested until March 20, 2007 to complete briefing. After full consideration, this Court issued its opinion on July 10, 2007, Massachusetts Eye and Ear Infirmary v. QLT, Inc., 495 F. Supp.2d 188 (D. Mass. 2007) and entered judgment on July 17, 2007 [Docket No. 642].

There are two time periods relevant to the calculation of prejudgment interest. The first time period runs from April 24, 2000, the date the complaint was filed, to November 6, 2006, the date the jury returned a verdict for MEEI. The second period runs from November 6, 2006 to July 18, 2007, the date judgment entered for MEEI.

For purposes of this motion, QLT and MEEI agree that MEEI is entitled to prejudgment interest that accumulated during the first time period. This is the end of their agreement. QLT contends that for the second time period, MEEI is entitled to prejudgment interest only on the amount of the verdict. MEEI contends that it is also entitled to prejudgment interest on the prejudgment interest that accumulated during the first time period. In essence, QLT contends that this Court ought calculate simple interest while MEEI argues for compound interest.

QLT notes that Massachusetts Rule of Civil Procedure 54(f) provides that "[i]nterest accrued up to the date of entry of a judgment shall be computed by the clerk according to law." Even assuming that Rule 54(f) provides a substantive rule that governs

this diversity action, it states only the clerk shall compute prejudgment interest "according to law." Massachusetts statutory and case law provide that prejudgment interest during the second time period is taken on the sum of the jury award and the prejudgment interest on that award through the date the verdict entered. Mass. Gen. Laws ch. 235, § 8; R.H. White Realty Co., Inc. v. Boston Redevelopment Authority, 371 Mass. 452, 454-55 (1976); Nugent v. Boston Consol. Gas Co., 238 Mass. 221, 238 (1921); see also Stephen C. Fulton, Interest on Money Damages for Periods Before and After Judgment: A Guide for the Massachusetts Practitioner, 85 Mass. L. Rev. 146, 151-52 (2001) ("After a verdict or finding, the clerk of court is required to enter a judgment which includes the <u>sum of</u>: 1] the amount of the verdict, finding, order, or award, plus 2] interest on the amount of verdict, finding or order (pre-judgment interest), plus 3] post verdict/pre-judgment interest on the sum of the verdict, finding, order, or award and the pre-judgment interest from the time the verdict was made to the time judgment was entered."). On the basis of this authority, this Court entered judgment compounding prejudgment interest.

QLT observes that the Reporter's notes accompanying the 1986 amendment that created Rule 54(f) cites <u>Boston Edison Co.</u> v.

<u>Tritsch</u>, 370 Mass. 260 (1976). In that case, the Supreme

Judicial Court awarded simple interest. <u>Id.</u> at 266. After

Boston Edison was decided, however, the Supreme Judicial Court

stated that <u>Boston Edison</u> should not be taken as overruling the compound interest rule. <u>R.H. White</u>, 371 Mass. at 454-55. Had Rule 54(f) been intended to work a substantive change in the law, the Reporter would have discussed <u>R.H. White</u> or otherwise made clear the intent to change the law governing prejudgment interest. This Court interprets the Reporter's silence as indicating that Rule 54(f) did not intend to work such a change in the law. More likely, the Reporter cited <u>Boston Edison</u> as an example of how <u>postjudgment</u> interest ought be calculated.

Finally, QLT points to considerable authority that under Massachusetts law, judgment enters immediately after the jury returns a verdict. E.g., Mass. R. Civ. P. 58. Had judgment entered immediately, there would have been no compounding of prejudgment interest. QLT does not, however, contend that this Court ought have entered judgment immediately following the verdict. In any event, QLT had waived that argument by failing to object when this Court stated on the record its intent to delay entry of judgment until it could resolve the Seventh Amendment issue.

For these reasons, this Court DENIED QLT's motion to amend judgment [Doc. No. 653]. This Court also DENIED QLT's renewed motion for judgment as matter of law [Doc. No. 652]. This Court denied that motion for all the reasons set forth in the Memorandum and Order dated July 10, 2007 [Doc. No. 638].

SO ORDERED.

/s/ William G. Young

WILLIAM G. YOUNG DISTRICT JUDGE

Publisher Information

Note* This page is not part of the opinion as entered by the court.

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of publishers of these opinions.

1:00-cv-10783-WGY Mass. Eye and Ear v. QLT Phototherapeutic, et al William G. Young, presiding

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Attorneys

Paul A. Ainsworth Covington & Burling LLP 1201 representing QLT Phototherapeutics, Inc. Pennsylvania Avenue Washington, DC 20004-6020 (Defendant) 202-662-6000 Assigned: 08/22/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED William H. Baker Ropes & Gray LLP 1211 Avenue of representing Massachusetts Eye and Ear the Americas New York, NY 10036-8704 212-516-Infirmary (Counter Defendant) 9000 212-596-9090 (fax) Assigned: 09/13/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Massachusetts Eye and Ear Infirmary (Plaintiff) Brian P. Biddinger Ropes & Gray LLP 1211 Avenue representing Massachusetts Eye and Ear of the Americas New York, NY 10036-8704 212-596-Infirmary (Counter Defendant) 9000 212-596-9090 (fax) Assigned: 09/13/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Massachusetts Eye and Ear Infirmary (Plaintiff) representing Lee Carl Bromberg Bromberg & Lee Carl Bromberg Bromberg & Sunstein LLP 125 Summer Street Boston, MA 02110 617 443-9292 Sunstein LLP 125 Summer Street Assigned: 12/22/2000 LEAD ATTORNEY ATTORNEY Boston, MA 02110 (Special Master) TO BE NOTICED David S. Chun Ropes & Gray LLP 1211 Avenue of representing Massachusetts Eye and Ear the Americas New York, NY 10036-8704 212-516-Infirmary (Counter Defendant) 9000 212-596-9090 (fax) Assigned: 09/13/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Massachusetts Eye and Ear Infirmary (Plaintiff) Sarah E. Cooleybeck Foley Hoag LLP 155 Seaport representing QLT Phototherapeutics, Inc. Boulevard Boston, MA 02210-2600 617-832-1284 (Defendant) 617-832-7000 (fax) scooleybeck@foleyhoag.com Assigned: 10/10/2006 ATTORNEY TO BE NOTICED John J. Cotter Kirkpatrick & Lockhart Preston Gates representing Massachusetts Eye and Ear Ellis LLP - MA One Lincoln Street State Street Infirmary (Counter Defendant) Financial Center Boston, MA 02111 617-261-3178 617-261-3175 (fax) john.cotter@klgates.com Assigned: 04/24/2000 TERMINATED: 04/23/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED Massachusetts Eye and Ear Infirmary (Plaintiff) Paul G. Cushing Partners HealthCare System, Inc. representing Ph.D. Tayyaba Hasan (Interested Office of the General Counsel 50 Staniford Street Party)

Suite 1000 Boston, MA 02114 617-724-8075 617-

726-1665 (fax) pcushing@partners.org Assigned: 04/18/2001 LEAD ATTORNEY ATTORNEY TO BE NOTICED

> The General Hospital Corporation (Movant)

Juliet A. Davidson Todd & Weld 28 State Street 31st representing Novartis Opthalmics (Interested Floor Boston, MA 02109 617-720-2626 Assigned: 05/29/2001 LEAD ATTORNEY ATTORNEY TO BE

Party)

NOTICED

Denise W. DeFranco Finnegan, Henderson, Farabow, representing QLT Phototherapeutics, Inc. Garrett & Dunner, L.L.P. 55 Cambridge Parkway Cambridge, MA 02142 617.452.1600 617.452.1666 (fax) denise.defranco@finnegan.com Assigned: 08/14/2000 LEAD ATTORNEY ATTORNEY TO BE NOTICED

(Counter Claimant)

QLT Phototherapeutics, Inc.

Bindu Donovan Fish & Neave LLP 1251 Avenue of the Americas New York, NY 10020 212-596-9116 212-596-9090 (fax) Assigned: 06/14/2002 TERMINATED: 04/27/2005 LEAD ATTORNEY ATTORNEY TO BE NOTICED

(Defendant) representing Massachusetts Eye and Ear

Infirmary (Plaintiff)

M.D. Evangelos S. Gragoudas (Counter Defendant) M.D. Joan W. Miller (Counter Defendant)

Barbara A. Fiacco Foley Hoag LLP 155 Seaport Boulevard Seaport World Trade Center West Boston, MA 02210 617-832-1000 617-832-7000 (fax) bfiacco@foleyhoag.com Assigned: 07/07/2000 LEAD ATTORNEY ATTORNEY TO BE NOTICED

representing QLT Phototherapeutics, Inc. (Counter Claimant)

(Defendant)

Gerald J. Flattmann Kirkland & Ellis Citicorp Center representing Massachusetts Eye and Ear 153 East 53rd Street New York, NY 10022 212-446-4720 212-446-4900 (fax) gflattmann@kirkland.com Assigned: 03/07/2002 TERMINATED: 06/07/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED

Infirmary (Counter Defendant)

QLT Phototherapeutics, Inc.

Massachusetts Eye and Ear Infirmary (Plaintiff) Massachusetts Eye and Ear Infirmary (Counter Defendant) Massachusetts Eye and Ear Infirmary (Plaintiff)

Duncan A. Greenhalgh Testa, Hurwitz & Thibeault, LLP 125 High Street High Street Tower Boston, MA 02110 617-248-7317 617-248-7100 (fax) greenhal@tht.com Assigned: 04/24/2000 TERMINATED: 04/23/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED

representing Massachusetts Eye and Ear Infirmary (Counter Defendant)

> Massachusetts Eye and Ear Infirmary (Plaintiff) Infirmary (Plaintiff)

James F. Haley, Jr. Ropes & Gray LLP 1211 Avenue representing Massachusetts Eye and Ear of the Americas New York, NY 10036-8704 212-5969000 212-596-9090 (fax) Assigned: 06/14/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED

M.D. Evangelos S. Gragoudas

(Counter Defendant)

M.D. Joan W. Miller (Counter

Defendant)

Christopher J. Harnett Ropes & Gray LLP 1211 Avenue of the Americas New York, NY 10036-8704 212-596-9000 212-596-9090 (fax) Assigned: 03/07/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED

representing Massachusetts Eye and Ear

Infirmary (Counter Defendant)

Massachusetts Eye and Ear Infirmary (Plaintiff)

Gabriel M. Helmer Foley Hoag LLP 155 Seaport Boulevard Boston, MA 02210-2600 617-832-1000 617-832-7000 (fax) ghelmer@foleyhoag.com

representing QLT Phototherapeutics, Inc.

(Counter Claimant)

Assigned: 10/01/2006 ATTORNEY TO BE NOTICED

QLT Phototherapeutics, Inc.

(Defendant)

Kenneth B. Herman Ropes & Gray LLP 1211 Avenue representing Massachusetts Eye and Ear of the Americas New York, NY 10036-8704 212-596-9000 212-596-9090 (fax)

Infirmary (Counter Defendant)

kenneth.herman@ropesgray.com Assigned: 03/07/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED

Massachusetts Eye and Ear Infirmary (Plaintiff)

J. Patrick Kennedy Bulkley, Richardson & Gelinas LLP One Post Office Square Boston, MA 02109 617-368-2500 pkennedy@bulkley.com Assigned: 07/19/2000 TERMINATED: 04/23/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED

representing Massachusetts Eye and Ear Infirmary (Counter Defendant)

Douglas J. Kline Testa, Hurwitz & Thibeault, LLP 125 representing Massachusetts Eye and Ear

High Street High Street Tower Boston, MA 02110

617-248-7000 617-248-7100 (fax)

dkline@goodwinprocter.com Assigned: 04/24/2000 TERMINATED: 04/23/2002 LEAD ATTORNEY

ATTORNEY TO BE NOTICED

Massachusetts Eye and Ear Infirmary (Plaintiff)

Infirmary (Counter Defendant)

Massachusetts Eye and Ear Infirmary (Plaintiff) Infirmary (Counter Defendant)

Timothy P. Linkkila 14 Cambridge Center Cambridge, representing Massachusetts Eye and Ear MA 02142 617-679-3795 617-629-2838 (fax) tim.linkkila@biogenidec.com Assigned: 04/24/2000

TERMINATED: 01/08/2001 LEAD ATTORNEY

ATTORNEY TO BE NOTICED

Massachusetts Eye and Ear Infirmary (Plaintiff)

Thomas F. Maffei Griesinger, Tighe & Maffei, LLP Suite 400 176 Federal Street Boston, MA 02110 617-542-9900 617-542-0900 (fax)

tmaffei@gtmllp.com Assigned: 08/14/2001 LEAD

ATTORNEY ATTORNEY TO BE NOTICED

representing The General Hospital Corporation (Movant)

Karen Mangasarian Fish & Neave IP Group 1251 representing Massachusetts Eye and Ear Avenue of the Americas New York, NY 10020 212-Infirmary (Plaintiff) 596-9086 646-728-2604 (fax) karen.mangasarian@ropesgray.com Assigned: 06/14/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED M.D. Evangelos S. Gragoudas (Counter Defendant) M.D. Joan W. Miller (Counter Defendant) Roderick R. McKelvie Covington & Burling LLP 1201 representing QLT Phototherapeutics, Inc. Pennsylvania Avenue Washington, DC 20004-6020 (Defendant) 202-662-6000 Assigned: 08/24/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Aaron M. Panner Kellogg Huber Hansen Todd Evans representing QLT Phototherapeutics, Inc. & Figel PLLC Summer Square 1615 M Street N.W. (Counter Claimant) Suite 400 Washington, DC 20036 Assigned: 09/26/2007 LEAD ATTORNEY ATTORNEY TO BE NOTICED QLT Phototherapeutics, Inc. (Defendant) Miriam L. Pogach 116 S. 7th Street Apt. 203 representing QLT Phototherapeutics, Inc. Philadelphia, PA 19106 617-733-1429 (Counter Claimant) mpogach@gmail.com Assigned: 06/02/2006 TERMINATED: 05/03/2007 ATTORNEY TO BE NOTICED QLT Phototherapeutics, Inc. (Defendant) representing QLT Phototherapeutics, Inc. Richard L. Rainey Covington & Burling LLP 1201 Pennsylvania Avenue Washington, DC 20004-6020 (Defendant) 202-662-6000 Assigned: 08/22/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Erica B. Abate Recht Birnbaum & Godkin 268 representing Massachusetts Eye and Ear Summer Street Boston, MA 02210 617-307-6100 Infirmary (Counter Defendant) 617-307-6101 (fax) abate@birnbaumgodkin.com Assigned: 07/19/2000 TERMINATED: 04/23/2002 LEAD ATTORNEY ATTORNEY TO BE NOTICED

Massachusetts Eye and Ear

(Defendant)

Infirmary (Plaintiff)

Dean Richlin Foley Hoag LLP 155 Seaport Boulevard representing QLT Phototherapeutics, Inc. Seaport World Trade Center West Boston, MA 02210 617-832-1140 617-832-7000 (fax) drichlin@foleyhoag.com Assigned: 10/02/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Donald J. Ridings Covington & Burling LLP 1201 Pennsylvania Avenue Washington, DC 20004-6020 202-662-6000 Assigned: 08/22/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED Christine M. Roach Roach & Carpenter, P.C. 8th Floor 24 School Street Boston, MA 02108 617-720-1800 617-720-0720 (fax) cmr@rc-law.com Assigned: 06/19/2002 LEAD ATTORNEY ATTORNEY TO BE **NOTICED**

representing QLT Phototherapeutics, Inc. (Defendant)

representing Massachusetts Eye and Ear Infirmary (Plaintiff)

Massachusetts Eye and Ear

Infirmary (Counter Defendant) M.D. Evangelos S. Gragoudas (Counter Defendant)

M.D. Joan W. Miller (Counter

Defendant)

Krista M. Rycroft Kaye Scholer LLP (NY) 425 Park Avenue New York, NY 10022 212-836-8000 krycroft@kayescholer.com Assigned: 06/14/2002 TERMINATED: 06/07/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED

representing Massachusetts Eye and Ear Infirmary (Plaintiff)

> M.D. Evangelos S. Gragoudas (Counter Defendant) M.D. Joan W. Miller (Counter

Defendant)

Carla E. Sereny Ropes & Gray LLP 1211 Avenue of representing Massachusetts Eye and Ear the Americas New York, NY 10036-8704 212-516-9000 212-596-9090 (fax)

Infirmary (Counter Defendant)

carla.sereny@ropesgray.com Assigned: 09/13/2006 LEAD ATTORNEY ATTORNEY TO BE NOTICED

Massachusetts Eye and Ear Infirmary (Plaintiff) (Counter Claimant)

Richard G. Taranto Farr & Taranto 1220 19th Street, representing QLT Phototherapeutics, Inc. N.W. Suite 800 Washington, DC 20036-2435 Assigned: 09/26/2007 LEAD ATTORNEY ATTORNEY TO BE NOTICED

> QLT Phototherapeutics, Inc. (Defendant)

Donald R. Ware Foley Hoag LLP 155 Seaport Boulevard Boston, MA 02210-2600 617-832-1167 617-832-7000 (fax) dware@foleyhoag.com Assigned: 05/19/2000 LEAD ATTORNEY ATTORNEY TO BE NOTICED

representing QLT Phototherapeutics, Inc. (Counter Claimant)

> QLT Phototherapeutics, Inc. (Defendant)